

June 30, 2003

Mary L. Cottrell, Secretary  
Department of Telecommunications & Energy  
Commonwealth of Massachusetts  
One South Station, Second Floor  
Boston, MA 02110

**RE: D.T.E. 03-63 – E911 Surcharge**

Dear Ms. Cottrell:

Enclosed for filing in the above-captioned matter, please find the Statewide Emergency Telecommunications Board Reply Comments.

Thank you for your assistance in this matter.

Sincerely,

Anne Marie Ferreira  
Assistant General Counsel  
Executive Office of Public Safety

Enclosure

**COMMONWEALTH OF MASSACHUSETTS**  
**DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

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Investigation by the Department of Telecommunications	)	
and Energy to establish a surcharge to recover prudently	)	
incurred costs associated with the provision of wireline	)	
Enhanced 911 services, relay services for TDD/TTY	)	D.T.E. 03-63
users, communications equipment distribution for people	)	
with disabilities, and amplified handsets at pay telephones.	)	

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**REPLY COMMENTS OF THE STATEWIDE EMERGENCY  
TELECOMMUNICATIONS BOARD**

The Statewide Emergency Telecommunications Board ("SETB") submits these Reply Comments in response to the Request for Comments by the Department of Telecommunications and Energy ("Department") issued on May 29, 2003. The SETB reaffirms that the Department should set the interim surcharge at \$.85, as proposed in the Interim Surcharge Proposal, jointly filed by SETB and Verizon.

**I. THE DEPARTMENT SHOULD SET THE INTERIM SURCHARGE AT \$.85  
AS PROPOSED IN THE INTERIM SURCHARGE PROPOSAL JOINTLY  
FILED BY SETB AND VERIZON**

In response to the Department's Notice of Investigation, Public Hearing and Intervention issued on May 29, 2003, the SETB, together with Verizon, proposed an interim surcharge of \$.85. The surcharge would recover the costs associated with the provision of E-911, relay services for TDD/TTY users, communication equipment distribution for people with disabilities, and amplified handsets at pay telephones. *Interim Surcharge Proposal*, at 1.

The proposed interim surcharge is intended to recover the costs incurred between January 1, 2003 and September 1, 2003 and by the end of fiscal year 2004, June 30, 2004. *Interim Surcharge Proposal*, at 1. In addition, a five year recovery period until December 2007 is also part of the interim surcharge estimate. *Interim Surcharge Proposal*, at 2. The proposal considers the following six areas of cost: (1) E-911 provisioning costs, (2) SETB expenses, (3) Relay Services and Disabilities Access Program costs, (4) deficit recovery expenses, (5) carrier administrative costs and (6) uncollectible revenues. *Interim Surcharge Proposal*, at 2.

**A. Interim Surcharge should be based on FY 2003-2004 expenses as well as estimated capital expenditures for FY 2005-2007.**

In his comments regarding the Interim Surcharge Proposal, the Attorney General stated that the interim surcharge should only cover FY 2003 and FY 2004 instead of the full five year planning period that appears in the proposal. *Interim Surcharge for Wireline E-911*, Comments by the Attorney General, June 23, 2003, at 1. The SETB respects the Attorney General's concerns over the cost of future capital expenditures being calculated in the interim surcharge. In presenting the proposal, the SETB puts forth a budget estimate that looks at the overall picture of funding E-911 in an attempt to establish a reasonable surcharge that will appropriately fund E-911 programs and services for the citizens of the Commonwealth. By including budget estimates through FY2007 as part of the interim surcharge proposal, the SETB intends to reduce the potential impact on consumers that could occur if the SETB returned at a later date to adjust the rate required to cover the future capital expenditures.

Currently, the need exists for the availability of capital expenses for use by public safety answering points (PSAP). Over the past 12 months, 7 PSAPs have relocated to new facilities. The SETB estimates that another 11 PSAPs will move over the next 6 months. Capital funds are

currently available to support these moves but the funding must continue to be available to cover the continuing costs associated with these current and future relocations. In addition, many of the PSAPs require new equipment. Currently, the majority of PSAPs use the original equipment that had been installed with the implementation of E-911, thereby making some equipment almost 10 years old.

The money for the equipment and costs associated with relocation of the PSAPs will be spent over the next five years. The SETB believes that the proposed \$.85 interim surcharge will cover the estimated costs of these expenses over the next five years and will allow the programs and services to receive funding on a consistent basis without presenting consumers with a new, higher surcharge at a later time.

**B. The estimated cost of \$85,000 for each of the approximately 800 call answering positions at the 274 PSAP locations are not excessive or inflated.**

In their comments, Sprint Communications Company, L.P. ("Sprint") argues that the estimated cost of \$85,000 for PSAP locations seems excessive and unnecessarily inflated by wireless E-911 charges. Comments of Sprint Communications Company, L.P., June 20, 2003, at 5. The SETB believes that \$85,000 is an accurate estimate of the projected true cost for each call answering position. The \$85,000 estimate covers the replacement of existing wireline equipment, currently 10 years old, and new technology approaches needed for the E-911 equipment. Currently, no deployment plan exists for wireless calls to go to local PSAPs. All costs related to wireline call handling in the PSAPs will be borne by the wireline fund.

**C. The SETB has differentiated between wireline and wireless programs.**

In their comments, Sprint argues that the surcharge should exclude wireless carriers, whose customers already pay a \$.30 cent wireless surcharge in Massachusetts. Comments of Sprint

Communications Company LP, June 20, 2003, at 3. The SETB recognizes that a clear line exists between wireline and wireless charges. The SETB took this into consideration when calculating the proposed surcharge.

In conclusion, for the reasons stated within this reply, the SETB urges the Department to set the interim surcharge at \$.85 as proposed in the Interim Surcharge Proposal submitted by SETB and Verizon.

Respectfully submitted,  
STATEWIDE EMERGENCY  
TELECOMMUNICATIONS BOARD

By its Attorneys,

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